

CASE NO.

6416

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
State Land Office Building
Santa Fe, New Mexico
17 January 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Anadarko Production
Company for special pool rules,
Eddy County, New Mexico.

CASE
6416

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Lynn Teschendorf, Esq.
Legal Counsel for the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

W. Thomas Kellahin, Esq.
KELLAHIN & KELLAHIN
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JERRY BUCKLES

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MR. NUTTER: Call next case 6416.

MS. TESCHENDORF: Case 6416. Application of Anadarko Production Company for special pool rules, Eddy County, New Mexico.

MR. KELLAHIN: Tom Kellahin of Santa Fe, New Mexico, appearing on behalf of the Applicant, and I have one witness to be sworn.

(Witness sworn.)

JERRY BUCKLES

being called as a witness and having been duly sworn upon his oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Mr. Buckles, would you state your name and occupation?

A Jerry Buckles, and I'm Area Supervisor for Anadarko Production Company, Loco Hills, New Mexico.

Q Mr. Buckles, have you previously testified before this Oil Conservation Division?

A No, I have not.

Q Would you describe briefly your educational background?

A I have a degree from Oklahoma State University

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1 in geology.

2 Q When did you obtain your degree in geology?

3 A 1961.

4 Q Subsequent to graduation I assume you've been
5 employed in the area that involved use of your geological
6 background?

7 A Yes, I have.

8 Q How long have you been employed by Anadarko?

9 A Fourteen and a half years.

10 Q What is your current area of responsibility?

11 A I'm Area Supervisor at Loco Hills.

12 Q Have you made a study of and are you familiar
13 with the facts surrounding this particular application?

14 A Yes, sir, I am.

15 MR. KELLAHIN: We tender Mr. Buckles as an
16 expert witness.

17 MR. NUTTER: Mr. Buckles is qualified.

18 Q (Mr. Kellahin continuing.) Would you please
19 refer to what I have marked as Exhibit Number One, identify
20 it, and explain briefly what you're seeking to accomplish?

21 A Okay. In the green in the cross hatched
22 area is the Cedar Lake-Morrow Gas Pool and the well that
23 created that pool is the Odessa Natural Gas - El Paso State
24 No. 1.

25 Q When was that pool created, Mr. Buckles?

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- 1 A. February of '61.
- 2 Q. And what is the order number?
- 3 A. It's R-2187.
- 4 Q. Okay. What is the spacing for that particular
- 5 Morrow gas pool?
- 6 A. 160 acres.
- 7 Q. Okay. Would you explain what is indicated
- 8 by the orange lines in Section 26?
- 9 A. That is the proposed proration unit for our
- 10 Power Federal Com No. 1-Y, which we recently completed,
- 11 and we're asking for 320 spacing on it.
- 12 I might say here that we want to amend the
- 13 field rules to provide for 320-acre spacing for our present
- 14 well and any future wells that might be drilled in the area.
- 15 Q. This is spacing for the Wolfcamp and Penn-
- 16 sylvanian gas?
- 17 A. Yes, sir, especially the Morrow, yes, sir.
- 18 Q. All right. Would you refer to what we've
- 19 marked as Exhibit Number Two and identify it?
- 20 A. Okay. That shows the cumulative production
- 21 on the well that created the pool of 103,647 Mcf. It was
- 22 completed in February of '61 and it ceased production
- 23 February of '65.
- 24 Q. Has that well been plugged and abandoned?
- 25 A. Yes, sir, it has.

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1 Q Would you please refer to Exhibit Number
2 Three and identify it?

3 A Okay. That is a C-103 form showing the
4 plug and abandoning on the Odessa Natural Gas Well that
5 created the pool.

6 Q In your opinion, Mr. Buckles, will the
7 amendment of the Cedar Lake-Morrow Gas Pool rules to provide
8 the 320-acre spacing be in the best interests of conserva-
9 tion, the prevention of waste, and the protection of cor-
10 relative rights?

11 A Yes, it will.

12 Q In your opinion, do you believe that your
13 current well, located in Section 26, can reasonably and
14 adequately drain a 320-acre spacing unit?

15 A Yes, I do.

16 Q Were Exhibits One, Two, and Three compiled
17 by you or under your direction and supervision?

18 A Yes, sir, they were.

19 MR. KELLAHIN: Mr. Nutter, we move the intro-
20 duction of Exhibits One, Two, and Three.

21 MR. NUTTER: Exhibits One through Three will
22 be admitted in evidence.

23 MR. KELLAHIN: That concludes our examination
24 of Mr. Buckles.
25

SALLY WALTON BOYD
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CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Buckles, has your well been drilled yet?

A Yes, sir, it has.

Q Is it a completed well?

A Yes, sir. It was completed in October of '78.

Q As a Morrow gas well?

A Yes, sir, it is a Morrow gas well.

Q Is this the only Pennsylvanian gas well within one mile of this old Odessa well?

A Yes, sir, there is a well. It's in Section 19 of 17, 31, which is just slightly over a mile, northeast of this old pool, and it's currently producing, but it's in the North Cedar Lake-Morrow Pool.

Q And there's a pool designated for it?

A Yes, sir.

Q Do you know if that pool was created prior to the time the 320-acre spacing was adopted, or is it a 320-acre pool?

A Well --

MR. KELLAHIN: The North Cedar Lake?

Q Yeah, the North Cedar Lake.

MR. KELLAHIN: It's 320.

1 A It's 320.

2 Q Okay, it's a 320-acre pool. So there won't
3 be any problems creating a 320-acre pool for any existing
4 wells, then, or that are currently producing on 160?

5 A No, sir, there should not be.

6 MR. NUTTER: Are there any further questions
7 of Mr. Buckles? He may be excused.

8 Do you have anything further, Mr, Kellahin?

9 MR. KELLAHIN: No, sir.

10 MR. NUTTER: Does anyone have anything they
11 wish to offer in Case Number 6416?

12 We'll take the case under advisement.

13 (Hearing concluded.)
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REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a Court Reporter, DO HEREBY
CERTIFY that the foregoing and attached Transcript of
Hearing before the Oil Conservation Division was reported
by me; that said transcript is a full, true, and correct
record of the hearing, prepared by me to the best of my
ability, knowledge, and skill, from my notes taken at the
time of the hearing.

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Sally W. Boyd CSR
Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is
a complete transcript of the proceedings in
the Examiner hearing of Case No. 6446,
heard by me on 1/17 1979.

[Signature], Examiner
Oil Conservation Division

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
State Land Office Building
Santa Fe, New Mexico
17 January 1979

EXAMINER HEARING

IN THE MATTER OF:

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BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

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For the Oil Conservation
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I N D E X

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E X H I B I T S

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1 in geology.

2 Q When did you obtain your degree in geology?

3 A 1961.

4 Q Subsequent to graduation I assume you've been
5 employed in the area that involved use of your geological
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CERTIFIED SHORTHAND REPORTER
2028 Plaza Blanca (908) 471-2462
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- 1 A. February of '61.
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CERTIFIED SHOT/STAND REPORTER
3010 Plaza Blanca (616) 471-2403
Santa Fe, New Mexico 87501

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SALLY WALTON BOYD
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3020 Plaza Blanca (95) 411-4463
Santa Fe, New Mexico 87501

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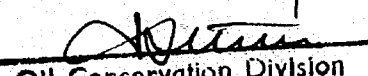
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REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a Court Reporter, DO HEREBY
CERTIFY that the foregoing and attached Transcript of
Hearing before the Oil Conservation Division was reported
by me; that said transcript is a full, true, and correct
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ability, knowledge, and skill, from my notes taken at the
time of the hearing.

Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 6416
heard by me on 1/17 1979.

 Examiner
Oil Conservation Division

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
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Santa Fe, New Mexico 87501

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6416
Order No. R-2187-A

APPLICATION OF ANADARKO PRODUCTION
COMPANY FOR SPECIAL POOL RULES,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on January 17, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 23rd day of January, 1979, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Anadarko Production Company, proposes to drill a Morrow gas well within one mile of the Cedar Lake-Morrow Gas Pool, Eddy County, New Mexico.

(3) That said Cedar Lake-Morrow Gas Pool was created and designated by the Division by Order No. R-2187, effective March 1, 1962.

(4) That by Division Order No. R-2707, dated May 25, 1964, Rule 104 of the Division Rules and Regulations was amended to provide that all gas pools of Pennsylvanian age or older in Southeast New Mexico which were created and defined June 1, 1964, or later shall have 320-acre spacing and proration units, inasmuch as it was found that in Southeast New Mexico, "...a gas well completed in the Pennsylvanian formation or a deeper formation will efficiently and economically drain and develop a 320-acre tract."

-2-

Case No. 6416

Order No. R-2187-A

(5) That the applicant in the instant case seeks the promulgation of rules including a provision for 320-acre spacing for the Cedar Lake-Morrow Gas Pool in Eddy County, New Mexico, inasmuch as that pool was excluded from the provisions of Order No. R-2707, because it was created and defined prior to the cut-off date of June 1, 1964.

(6) That at the hearing of the instant case, no objection was received to the inclusion of the Cedar Lake-Morrow Gas Pool under the provisions of Rule 104 of the Division Rules and Regulations for gas pools of Pennsylvanian age or older.

(7) That one well in the Cedar Lake-Morrow Gas Pool in Eddy County, New Mexico, will efficiently and economically drain and develop 320 acres, and the inclusion of said pool under the 320-acre provisions of Rule 104 for pools of Pennsylvanian age or older will not cause waste nor violate correlative rights, and should be approved.

IT IS THEREFORE ORDERED:

(1) That effective immediately, each well completed or recompleted in the Cedar Lake-Morrow Gas Pool or in the Pennsylvanian formation within one mile thereof shall be subject to the provisions of Rule 104 of the Division Rules and Regulations notwithstanding the fact said pool was created and defined prior to June 1, 1964.

IT IS FURTHER ORDERED:

(1) That the locations of all wells presently drilling to or completed in the Cedar Lake-Morrow Gas Pool or in the Pennsylvanian formation within one mile thereof are hereby approved; that the operator of any well having an unorthodox location shall notify the Artesia District Office of the Division in writing of the name and location of the well by March 1, 1979.

(2) That pursuant to Paragraph A. of Section 65-3-14.5, NMSA 1953, contained in Chapter 271, Laws of 1969, existing producing and drilling wells in the Cedar Lake-Morrow Gas Pool shall have dedicated thereto 320 acres in accordance with Rule 104 of the Division Rules and Regulations; or pursuant to Paragraph C. of said Section 65-3-14.5, existing wells may have non-standard units dedicated thereto.

Failure to file new Forms C-102 with the Division dedicating 320 acres to a well or to obtain a non-standard unit approved by the Division within 60 days from the effective date of this order shall subject the well to cancellation of allowable.

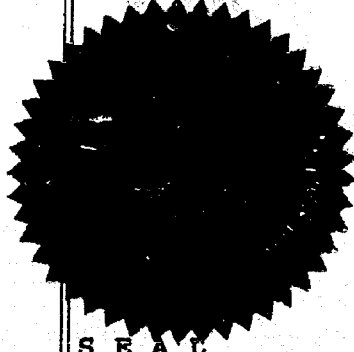
-3-

Case No. 6416

Order No. R-2187-A

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



S E A L

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY
Director

fd/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
State Land Office Building
Santa Fe, New Mexico
3 January 1979

EXAMINER HEARING

IN THE MATTER OF:)
)
Application of Anadarko Production) CASE
Company for special pool rules,) 6416
Eddy County, New Mexico.)

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation Division: Lynn Teschendorf, Esq.
Legal Counsel for the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3956 Plaza Blanca (995) 471-2482
Santa Fe, New Mexico 87501

1 MR. STAMETS: We'll call Case Number 6416.

2 MS. TESCHENDORF: Case 6416. Application of
3 Anadarko Production Company for special pool rules,
4 Eddy County, New Mexico.

5 The applicant has requested that the case be
6 continued to the Examiner Hearing to be held January 17,
7 1979.

8 MR. STAMETS: The case will be so continued.

9 (Hearing concluded.)
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SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3038 Plaza Blanca (S.E.) 471-2402
Santa Fe, New Mexico 87501

REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a Court Reporter, DO HEREBY
CERTIFY that the foregoing and attached Transcript of
Hearing before the Oil Conservation Division was reported
by me; that said transcript is a full, true, and correct
record of the hearing, prepared by me to the best of my
ability, knowledge, and skill, from my notes taken at the
time of the hearing.

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3022 Plaza Blanca (S.W.) (71-2402)
Santa Fe, New Mexico 87501

Sally W. Boyd C.S.R.
Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 6416
heard by me on 1-3 1979.
Richard J. Stamm Examiner
Oil Conservation Division

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
State Land Office Building
Santa Fe, New Mexico
3 January 1979

EXAMINER HEARING

IN THE MATTER OF:

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CASE
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BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

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For the Oil Conservation
Division:

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Legal Counsel for the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3028 Plaza Blanca (SSE) 471-4403
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Richard T. Stamm, Examiner
Oil Conservation Division

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CERTIFIED SHORTHAND REPORTER
3038 Plaza Blanca (985) 471-2482
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Dockets Nos. 3-79 and 4-79 are tentatively set for hearing on January 24 and 31, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 17, 1979

9 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

ALLOWABLE: (1) Consideration of the allowable production of gas for February, 1979, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.

(2) Consideration of the allowable production of gas for February, 1979, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 6418: Application of Gulf Oil Corporation for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Eddy "GR" State Well No. 1 located in Unit E of Section 16, Township 23 South, Range 28 East, Eddy County, New Mexico, to produce gas from the Atoka and Morrow formations through parallel strings of tubing.

CASE 6413: (Continued from January 3, 1979, Examiner Hearing)

Application of Atlantic Richfield Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Langley Getty Com Well No. 1 located in Unit N of Section 21, Township 22 South, Range 36 East, Langley Field, Lea County, New Mexico, to produce gas from the Devonian and Ellenburger formations, through parallel strings of tubing.

CASE 6414: (Continued from January 3, 1979, Examiner Hearing)

Application of Atlantic Richfield Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Devonian formation through the perforated interval from 13,590 feet to 13,685 feet in its Lea 396 State Well No. 1 located in Unit K of Section 35, Township 15 South, Range 36 East, Dean-Devonian Pool, Lea County, New Mexico.

CASE 6415: (Continued from January 3, 1979, Examiner Hearing)

Application of Yates Petroleum Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp thru Devonian formations underlying the W/2 of Section 20, Township 14 South, Range 36 East, Lea County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6419: Application of Yates Petroleum Corporation for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Lanning JC Well No. 1 located in Unit B of Section 7, Township 18 South, Range 26 East, Eagle Creek Field, Eddy County, New Mexico, to produce gas from the Strawn formation through the casing-tubing annulus and from the Morrow formation through tubing.

CASE 6420: Application of LaRue and Muncy for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Abo formation underlying the NW/4 SE/4 of Section 34, Township 18 South, Range 26 East, Dayton-Abo Pool, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6416: (Continued from January 3, 1979, Examiner Hearing)

Application of Anadarko Production Company for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Cedar Lake-Morrow Gas Pool, Eddy County, New Mexico, to provide for 320-acre spacing rather than 160 acres. In the absence of objection, this pool will be placed on the standard 320-acre spacing for Wolfcamp and Pennsylvanian gas pools rather than the present 160-acre spacing.

CASE 6390: (Continued from January 3, 1979, Examiner Hearing)

Application of C & E Operators for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down thru the Pictured Cliffs formation underlying the SW/4 of Section 10, Township 30 North, Range 11 West, San Juan County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6421: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending vertical and horizontal limits of certain pools in Chaves, Eddy, Lea, and Roosevelt Counties, New Mexico:

(a) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the Avalon-Wolfcamp Pool. The discovery well is Maralo, Inc. Hanson Federal Well No. 2 located in Unit O of Section 28, Township 20 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM
Section 28: SE/4

(b) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Black River-Atoka Gas Pool. The discovery well is HNG Oil Company Bowden 25 Federal Com. Well No. 1 located in Unit I of Section 25, Township 24 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM
Section 25: E/2

(c) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the Box Canyon-Strawn Gas Pool. The discovery well is Yates Petroleum Corporation Huber 1A Federal Well No. 2 located in Unit P of Section 15, Township 21 South, Range 21 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 21 EAST, NMPM
Section 15: S/2

(d) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the Cotton Draw-Delaware Pool. The discovery well is Coquina Oil Corporation El Paso Federal Well No. 1 located in Unit K of Section 12, Township 24 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM
Section 12: SW/4

(e) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the East Cottonwood Creek-Atoka Gas Pool. The discovery well is Yates Petroleum Corporation Lizzie Howard HK Well No. 1 located in Unit K of Section 13, Township 16 South, Range 25 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 25 EAST, NMPM
Section 13: W/2

(f) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Yates-Seven Rivers production and designated as the North Custer Yates-Seven Rivers Pool. The discovery well is Gifford, Mitchell & Wisenbaker Amoco State Well No. 1 located in Unit B of Section 36, Township 24 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 35 EAST, NMPM
Section 36: NE/4

(g) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Diamond Mound-Atoka Gas Pool. The discovery well is Northern Natural Gas Company Vandagriff Federal Well No. 1 located in Unit K of Section 1, Township 16 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 27 EAST, NMPM
Section 1: All
Section 2: Lots 1, 2, 7, 8, 9, 10, 15 and 16

(h) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Penton Draw-Morrow Gas Pool; the discovery well is Perry R. Bass Big Eddy Unit Well No. 53 located in Unit G of Section 8, Township 21 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 28 EAST, NMPM
Section 8: E/2

(i) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Cherry Canyon production and designated as the Herradura Bend-Cherry Canyon Pool. The discovery well is Eastland Oil Company City of Carlsbad Well No. 1 located in Unit K of Section 29, Township 22 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM
Section 29: SW/4

(j) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the East High Hope-Atoka Gas Pool. The discovery well is Beard Oil Company Hagstrom Well No. 1 located in Unit K of Section 8, Township 17 South, Range 24 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 24 EAST, NMPM
Section 8: W/2
Section 17: W/2
Section 18: All

(k) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Atoka production and designated as the Hume-Atoka Gas Pool. The discovery well is Mewbourne Oil Company State E Com Well No. 1 located in Unit V of Section 6, Township 16 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM
Section 6: S/2

(l) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the Loafer Draw-Strawn Gas Pool. The discovery well is Inexco Oil Company Arroyo Federal Well No. 1 located in Unit K of Section 26, Township 21 South, Range 22 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 22 EAST, NMPM
Section 26: S/2

(m) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Cisco-Canyon production and designated as the Logan Draw Cisco-Canyon Gas Pool. The discovery well is Mesa Petroleum Company Potter Federal Com Well No. 1 located in Unit B of Section 29, Township 17 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM
Section 29: N/2

(n) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the North Loving-Morrow Gas Pool. The discovery well is Cities Service Company Polk A Com Well No. 1 located in Unit B of Section 17, Township 23 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM
Section 16: W/2
Section 17: N/2

(o) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the North Loving-Strawn Gas Pool. The discovery well is Cities Service Company Polk A Com Well No. 1 located in Unit B of Section 17, Township 23 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM
Section 17: N/2

(p) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Drinkard production and designated as the Lovington-Drinkard Pool. The discovery well is Getty Oil Company State O Well No. 12 located in Unit J of Section 31, Township 16 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM
Section 31: SE/4

(q) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the South Millman-Atoka Gas Pool. The discovery well is Hondo Oil and Gas Company Hondo 22 State Well No. 1 located in Unit H of Section 22, Township 19 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 22: E/2

(r) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Premier production and designated as the Pavo Mesa-Premier Gas Pool. The discovery well is Carl A. Schellinger Exxon Federal Well No. 1 located in Unit M of Section 29, Township 16 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 29 EAST, NMPM
Section 29: SW/4

(s) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Penasco Draw-Morrow Gas Pool. The discovery well is Morris R. Antweil Dinkus Com Well No. 1 located in Unit O of Section 20, Township 18 South, Range 25 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 24 EAST, NMPM
Section 24: E/2

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM
Section 19: All
Section 20: S/2
Section 29: All
Section 30: N/2
Section 32: N/2

(t) EXTEND the vertical limits of the Monument-Tubb Pool in Lea County, New Mexico, to include the Drinkard formation and redesignate said Monument-Tubb Pool as the Monument Tubb-Drinkard Pool.

(u) EXTEND the Blinebry Oil and Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 8: S/2

(v) EXTEND the Southeast Chaves Queen Gas Area in Chaves County, New Mexico, to include therein:

TOWNSHIP 13 SOUTH, RANGE 31 EAST, NMPM
Section 3: S/2

(w) EXTEND the South Empire-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM
Section 36: E/2

(x) EXTEND the Jenkins-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 35 EAST, NMPM
Section 27: SW/4

(y) EXTEND the Langley-Ellenburger Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM
Section 21: S/2

(z) EXTEND the Lovington-Queen Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 36 EAST, NMPM
Section 1: S/2
Section 12: W/2

(aa) EXTEND the South Millman-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 19: S/2

(bb) EXTEND the Penasco Draw-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 25 EAST, NMPM
Section 27: W/2
Section 28: All

(cc) EXTEND the South Peterson-Pennsylvanian Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 5 SOUTH, RANGE 33 EAST, NMPM
Section 31: SE/4 SE/4

(dd) EXTEND the Sioux-Yates Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 36 EAST, NMPM
Section 8: N/2
Section 9: NW/4

(ee) EXTEND the Sombrero-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM
Section 12: W/2

(ff) EXTEND the Tom-Tom San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 31 EAST, NMPM
Section 32: SE/4

TOWNSHIP 8 SOUTH, RANGE 31 EAST, NMPM
Section 5: NE/4

(gg) EXTEND the West Tonto-Pennsylvanian Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 8: W/2

(hh) EXTEND the Tubb Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 6: SW/4
Section 7: NW/4

(ii) EXTEND the North Turkey Track-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 5: N/2

(jj) EXTEND the Wantz-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 34: NE/4

(kk) EXTEND the Warren-Tubb Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 26: SE/4

CEYAR LAKE (MORROW) FIELD
EDDY COUNTY, NEW MEXICO

CEYAR LAKE MORROW
GAS POOL
ORDER R-2187 (3-1-62)
PROPOSED POWER FEDERAL COMM UNIT

SCALE - 1" = 4000'

JANUARY 1978

BEFORE EXAMINER MUTTER

OIL CONSERVATION DIVISION

Amesbury EXHIBIT NO. 1

CASE NO. 6416

FIELD: Cedar Lake (Morrow)

STATE: New Mexico

LEASE/UNIT: El Paso State

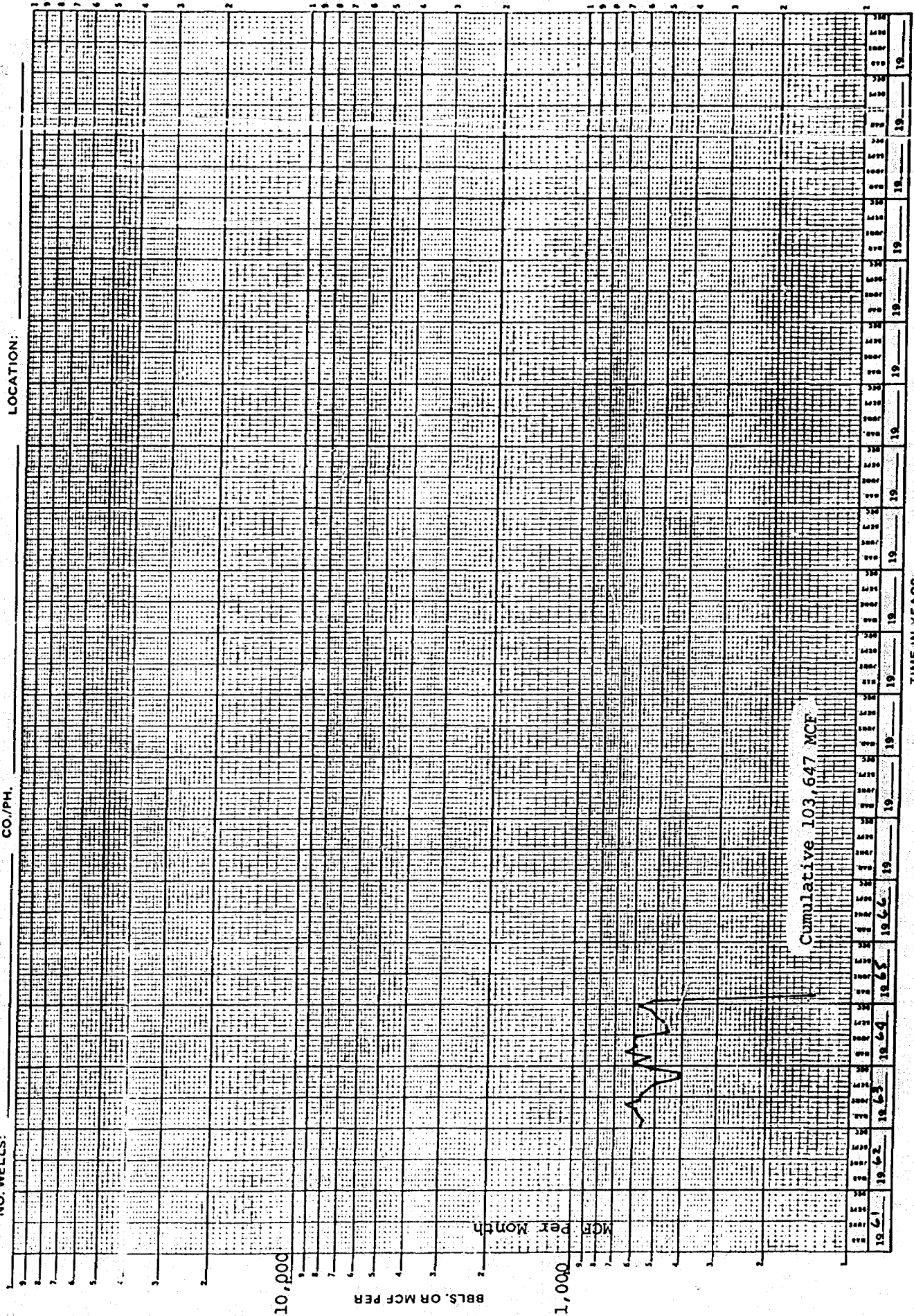
PERFS:

OPERATOR: Odessa Natural Gasoline Co.

NO. WELLS:

CO./PH:

LOCATION:



ACCT. CODE NO.

LEASE NAME

WE NO

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FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	3

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-103
Supersedes Old
C-102 and C-103
Effective 1-1-65

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT -" (FORM C-101) FOR SUCH PROPOSALS.)

1. OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>	5a. Indicate Type of Lease State <input checked="" type="checkbox"/> Fee <input type="checkbox"/>
2. Name of Operator Odessa Natural Gasoline Company	5. State Oil & Gas Lease No. E-6014
3. Address of Operator Box 3908, Odessa, Texas	7. Unit Agreement Name
4. Location of Well UNIT LETTER A 660 FEET FROM THE North LINE AND 660 FEET FROM THE East LINE, SECTION 36 TOWNSHIP 17S RANGE 30E NMPM.	8. Farm or Lease Name El Paso State
15. Elevation (Show whether DF, RT, GR, etc.) 3654' DF	9. Well No. 1
	10. Field and Pool, or Wildcat Cedar Lake-Morrow
	12. County Eddy

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data	
NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
PULL ON ALTER CASING <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>
PLUG AND ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
CHANGE PLAYS <input type="checkbox"/>	PLUG AND ABANDONMENT <input checked="" type="checkbox"/>
OTHER <input type="checkbox"/>	OTHER <input type="checkbox"/>

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1703.

2-10-65: P & A operations started.
Spotted 75 sack cement plug across perforations 11357-460'.
Cut 4-1/2" casing at 7526' & recovered all pipe.
Spotted 25 sack cement plug at 7600'.
Cut 8-5/8" csg. @ 1130' & recovered all pipe.
Spotted 25 sack cement plug in 8-5/8" casing at 1900'.
Set 30 sack cement plug in 13-3/8" csg. at surface. Filled in cellar, set marker and leveled location.

2-16-65: P&A operations completed.

RECEIVED

MAR 5 1965

O. C. C.
ARTERIA, OFFICE

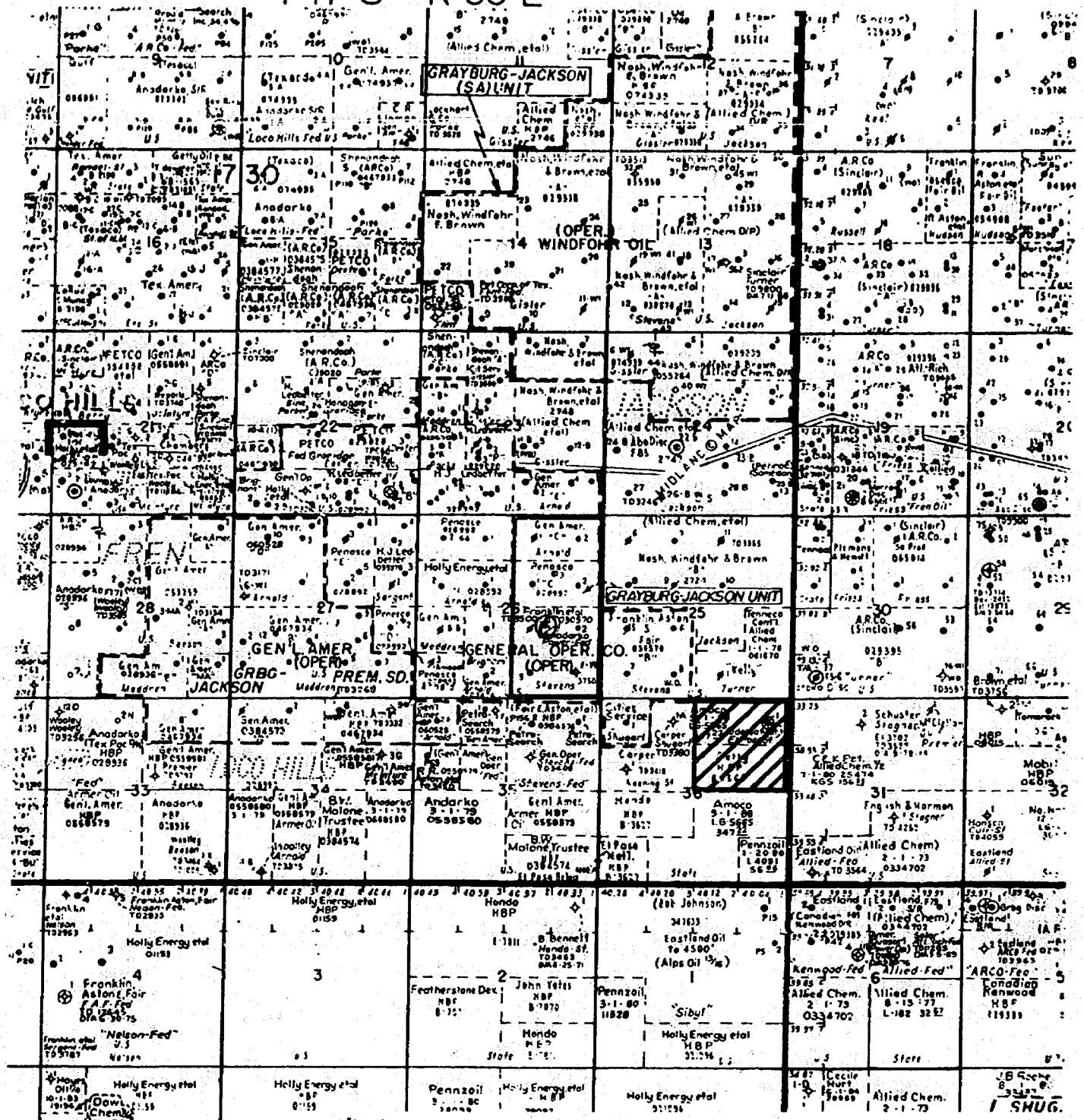
18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED [Signature] TITLE Production Superintendent DATE 3-1-65

APPROVED BY [Signature] TITLE OIL AND GAS INSPECTOR DATE MAR 31 1965

CONDITIONS OF APPROVAL, IF ANY:

T 17 S - R 30 E



ANADARKO PRODUCTION COMPANY

CEDAR LAKE (MORROW) FIELD
EDDY COUNTY, NEW MEXICO

CEDAR LAKE MORROW

GAS POOL

ORDER R-2187 (3-1-62)

PROPOSED POWER FEDERAL COMM UNIT

SCALE - 1" = 4000'

JANUARY 1978

T 18 S - R 30 E

Exhibit 1
Case 6416

FIELD: Cedar Lake (Morrow) RESERVOIR: STATE: New Mexico
LEASE/UNIT: El Paso State PERFS: OPERATOR: Odessa Natural Gasoline Co.
NO. WELLS: _____ CO./PH: _____ LOCATION: _____

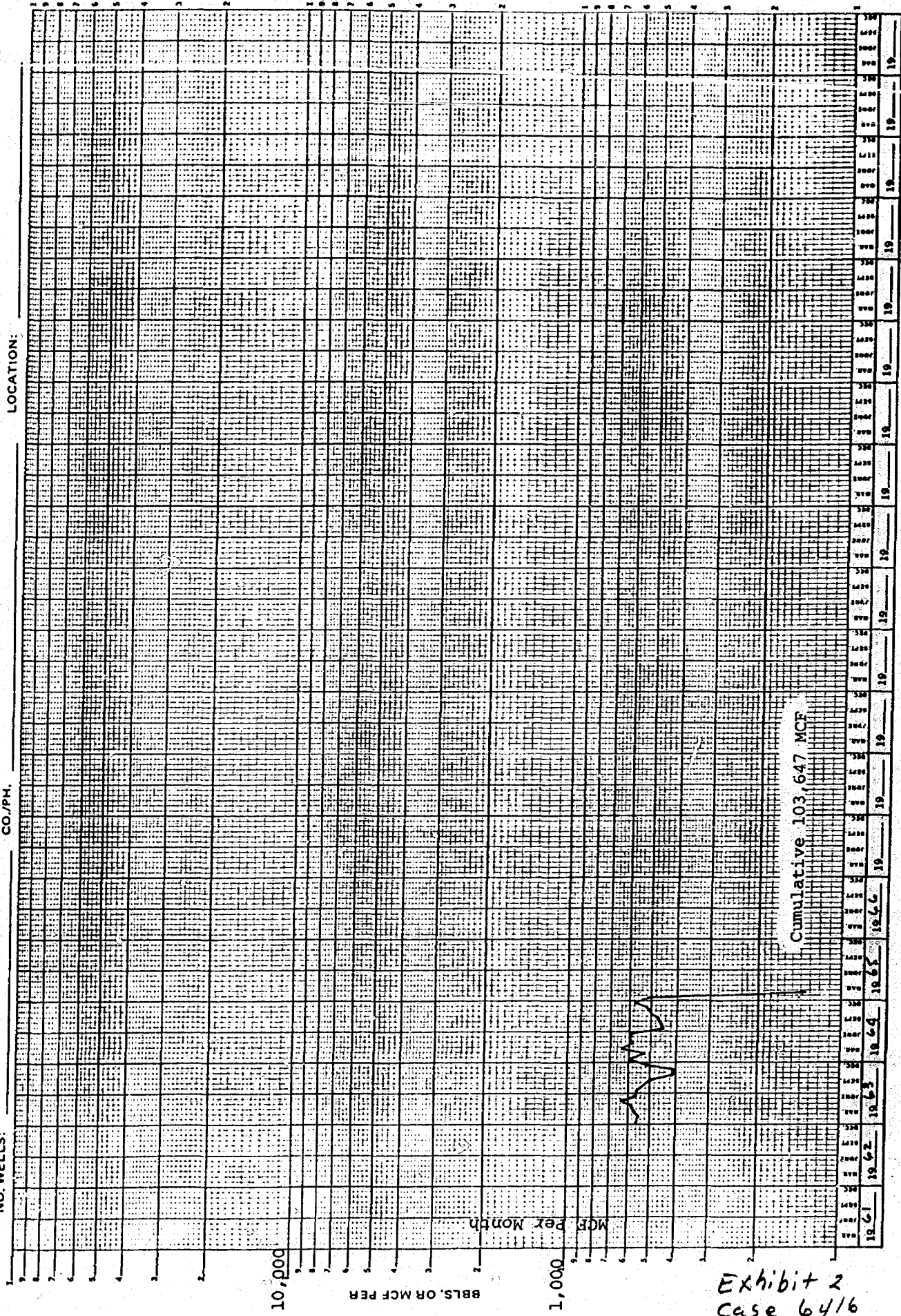


Exhibit 2
Case 6416

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LAND OFFICE	
OPERATOR	3

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-103
Supersedes Oil
C-102 and C-103
Effective 1-1-65

5a. Indicate Type of Lease	
State <input checked="" type="checkbox"/>	Fee <input type="checkbox"/>
5. State Oil & Gas Lease No.	
E-6014	

SUNDY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT -" (FORM C-101) FOR SUCH PROPOSALS.)

1. <input type="checkbox"/> OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER	7. Unit Agreement Name
2. Name of Operator Odessa Natural Gasoline Company	8. Form or Lease Name El Paso State
3. Address of Operator Box 3908, Odessa, Texas	9. Well No. 1
4. Location of Well UNIT LETTER <u>A</u> <u>660</u> FEET FROM THE <u>North</u> LINE AND <u>660</u> FEET FROM THE <u>East</u> LINE, SECTION <u>36</u> TOWNSHIP <u>17S</u> RANGE <u>30E</u> NMPM.	10. Field and Pool, or Wildcat Cedar Lake-Morrow
15. Elevation (Show whether DF, RT, GR, etc.) 3654' DF	12. County Eddy

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data	
NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>
OTHER <input type="checkbox"/>	OTHER <input type="checkbox"/>
PLUG AND ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
CHANGE PLANS <input type="checkbox"/>	PLUG AND ABANDONMENT <input checked="" type="checkbox"/>

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

2-10-65: P & A operations started.
Spotted 75 sack cement plug across perforations 11357-460'.
Cut 4-1/2" casing at 7526' & recovered all pipe.
Spotted 25 sack cement plug at 7600'.
Cut 8-5/8" csg. @ 1130' & recovered all pipe.
Spotted 25 sack cement plug in 8-5/8" casing at 1900'.
Set 30 sack cement plug in 13-3/8" csg. at surface. Filled in cellar, set marker and leveled location.

2-16-65: P&A operations completed.

RECEIVED

MAR 5 1965

O. C. C.
ARTESIA, OFFICE

18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED W. D. Gussert TITLE Production Superintendent DATE 3-1-65

APPROVED BY W. D. Gussert TITLE Oil and Gas Administrator DATE MAR 31 1965

CONDITIONS OF APPROVAL, IF ANY:

Exhibit 3
Case 6416

Dockets Nos. 2-79 and 3-79 are tentatively set for hearing on January 17 and 31, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 3, 1979

9 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

- CASE 6413: Application of Atlantic Richfield Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Langley Getty Com Well No. 1 located in Unit N of Section 21, Township 22 South, Range 36 East, Langley Field, Lea County, New Mexico, to produce gas from the Devonian and Ellenburger formations, through parallel strings of tubing.
- CASE 6414: Application of Atlantic Richfield Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Devonian formation through the perforated interval from 13,590 feet to 13,685 feet in its Lea 396 State Well No. 1 located in Unit K of Section 35, Township 15 South, Range 36 East, Dean-Devonian Pool, Lea County, New Mexico.
- CASE 6415: Application of Yates Petroleum Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp thru Devonian formations underlying the W/2 of Section 20, Township 14 South, Range 36 East, Lea County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 6416: Application of Anadarko Production Company for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Cedar Lake-Morrow Gas Pool, Eddy County, New Mexico, to provide for 320-acre spacing rather than 160 acres. In the absence of objection, this pool will be placed on the standard 320-acre spacing for Wolfcamp and Pennsylvanian gas pools rather than the present 160-acre spacing.
- CASE 6417: Application of Morris R. Antweil for compulsory pooling and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the W/2 of Section 9, Township 12 South, Range 32 East, Lea County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the North and West lines of said section. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 6390: (Continued and readvertised)
- Application of C & E Operators for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down thru the Pictured Cliffs formation underlying the SW/4 of Section 10, Township 30 North, Range 11 West, San Juan County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

JASON W. KELLAHIN
ROBERT E. FOX
W. THOMAS KELLAHIN
KAREN AUBREY

KELLAHIN and FOX
ATTORNEYS AT LAW
P. O. BOX 1769
SANTA FE, NEW MEXICO 87501

TELEPHONE 886-6516
AREA CODE 505

December 8, 1978

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DEC 11 1978
Oil Conservation Commission

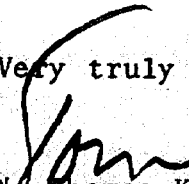
Mr. Joe Ramey
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Anadarko Oil Company

Dear Joe:

Please set the enclosed application for hearing on
January 3, 1979.

Very truly yours,


W. Thomas Kellahin

CC: Mr. Dan Kernaghan
Mr. Irley Bonnette

WTK:kfm

Enclosure

RECEIVED
FEB 11 1962
Oil Conservation Commission

BEFORE THE NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF ANADARKO PRODUCTION COMPANY
FOR SPECIAL POOL RULES, EDDY
COUNTY, NEW MEXICO

Case 6416

A P P L I C A T I O N

Comes now Anadarko Production Company through its attorneys Kellahin & Fox and applies to the Oil Conservation Division for the promulgation of special pool rules for the Cedar Lake-Morrow Gas Pool, Eddy County, New Mexico to provide for 320 acre spacing rather than 160 acres and in support thereof would show:

1. Applicant is an operator within a mile of the Cedar Lake-Morrow Gas Pool.
2. The Cedar Lake-Morrow Gas pool was created by Oil Conservation Commission Order No. R-2187 entered on March 1, 1962 consisting of the NE/4 of Section 36, T17S, R30E, N.M.P.M.
3. Applicant proposes that Special Pool Rules be promulgated to provide for 320 acre spacing of the subject pool rather than the present 160 acre spacing.
4. That approval of the application is in the best interest of conversation, the prevention of waste and the protection of correlative rights.

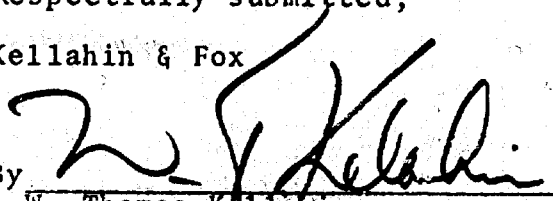
WHEREFORE, Applicant prays that this application be set for hearing before the Division's duly appointed examiner

and that after notice and hearing as required by law the
Division enter its order approving this application as
proposed.

Respectfully submitted,

Kellahin & Fox

By


W. Thomas Kellahin

P. O. Box 1769

Santa Fe, New Mexico 87501

BEFORE THE NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

RECEIVED
DEC 11 1970
Oil Conservation Commission

IN THE MATTER OF THE APPLICATION
OF ANADARKO PRODUCTION COMPANY
FOR SPECIAL POOL RULES, EDDY
COUNTY, NEW MEXICO

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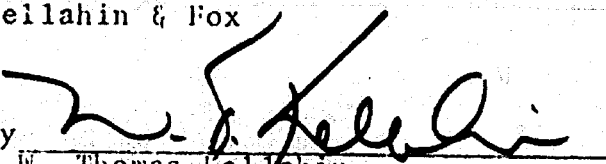
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Santa Fe, New Mexico 87501

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ENERGY AND MINERALS DEPARTMENT
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IN THE MATTER OF THE APPLICATION
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COUNTY, NEW MEXICO

Case 6416

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proposed.

Respectfully submitted,

Kellahin & Fox

By


W. Thomas Kellahin

P. O. Box 1769

Santa Fe, New Mexico 87501

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION COMMISSION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. ~~5775~~ 6416
Order No. ~~R-5400~~
R-2187-A

APPLICATION OF ~~COQUINA CITY~~ ANADARKO PRODUCTION COMPANY
~~CORPORATION~~ FOR SPECIAL POOL
RULES, EDDY COUNTY, NEW MEXICO.

DIVISION
ORDER OF THE COMMISSION

DIVISION
BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on ~~July 8, 1977~~ January 17, 1979,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this ~~8th~~ day of ~~July, 1977~~ January, 1979, the ~~Commission~~ Division Director,
~~having considered the testimony, the record,~~
and the recommendations of the Examiner, and being fully advised
in the premises,

FINDS:

(1) That due public notice having been given as required by
law, the ~~Commission~~ has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, ~~Coquina Oil Corporation~~ Anadarko Production Company, proposes
owner and operator of a certain gas well in the North-Burton
Pennsylvanian Gas Pool, Eddy County, New Mexico.

(3) That said ~~North-Burton Pennsylvanian Gas Pool~~ Cedar Lake - Morrow
was created and designated by the ~~Commission~~ Division by Order No. R-2062, R-2187,
effective ~~September 19, 1961~~ March 1, 1962.

(4) That by ~~Commission~~ Division Order No. R-2707, dated May 25, 1964,
Rule 104 of the ~~Commission~~ Rules and Regulations was amended to
provide that all gas pools of Pennsylvanian age or older in
Southeast New Mexico which were created and defined June 1, 1964,
or later shall have 320-acre spacing and proration units, inasmuch
as it was found that in Southeast New Mexico, "...a gas well
completed in the Pennsylvanian formation or a deeper formation
will efficiently and economically drain and develop a 320-acre
tract."

(5) That the applicant in the instant case seeks the
promulgation of rules including a provision for 320-acre spacing
for the ~~North-Burton Pennsylvanian Gas Pool~~ Cedar Lake - Morrow in Eddy County, New
Mexico, inasmuch as that pool was excluded from the provisions of
Order No. R-2707, because it was created and defined prior to the
cut-off date of June 1, 1964.

within one mile of
To drill a Morrow Gas Well in the Cedar Lake - Morrow
Gas Pool,

Cedar Lake-Morrow

OK

(6) That ~~at the hearing of the instant case, and~~ no objection was received to the inclusion of the ~~North-Burton-Pennsylvanian~~ Gas Pool under the provisions of Rule 104 of the ~~Commission~~ Rules and Regulations for gas pools of Pennsylvanian age or older.

Cedar Lake-Morrow

(7) That one well in the ~~North-Burton-Pennsylvanian~~ Gas Pool in Eddy County, New Mexico, will efficiently and economically drain and develop 320 acres, and the inclusion of said pool under the 320-acre provisions of Rule 104 for pools of Pennsylvanian age or older will not cause waste nor violate correlative rights, and should be approved.

Cedar Lake-Morrow

IT IS THEREFORE ORDERED:

(1) That effective, ^{immediately,} ~~August 1, 1977,~~ each well completed or recompleted in the ~~North-Burton-Pennsylvanian~~ Gas Pool or in the Pennsylvanian formation within one mile thereof shall be subject to the provisions of Rule 104 of the ~~Commission~~ Rules and Regulations notwithstanding the fact said pool was created and defined prior to June 1, 1964.

IT IS FURTHER ORDERED:

(1) That the locations of all wells presently drilling to or completed in the ~~North-Burton-Pennsylvanian~~ Gas Pool or in the Pennsylvanian formation within one mile thereof are hereby approved; that the operator of any well having an unorthodox location shall notify the Artesia District Office of the ~~Commission~~ in writing of the name and location of the well by ~~March~~ 1, 1977.

(2) That pursuant to Paragraph A. of Section 65-3-14.5, NMSA 1953, contained in Chapter 271, Laws of 1969, existing wells in the ~~North-Burton-Pennsylvanian~~ Gas Pool shall have dedicated thereto 320 acres in accordance with Rule 104 of the ~~Commission~~ Rules and Regulations; or pursuant to Paragraph C. of said Section 65-3-14.5, existing wells may have non-standard units dedicated thereto.

Failure to file new Forms C-102 with the ^{Division} ~~Commission~~ dedicating 320 acres to a well or to obtain a non-standard unit approved by the ~~Commission~~ within 60 days from the effective date of this order shall subject the well to cancellation of allowable.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the ~~Commission~~ may deem necessary.

DONE at